

SUBCHAPTER E : FINANCIAL ASSURANCE REQUIREMENTS FOR LIABILITY COVERAGE

§37.400. Applicability.

An owner or operator required by this chapter to establish financial assurance for sudden liability coverage for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the facility must, at a minimum, meet the requirements of this subchapter.

Adopted December 4, 1996

December 30, 1996

§37.401. Liability Requirements for Sudden Accidental Occurrences.

(a) An owner or operator shall establish liability coverage for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the facility or group of facilities. The owner or operator shall have and maintain liability coverage for sudden accidental occurrences in the amount specified in this chapter, exclusive of legal defense costs. The owner or operator shall choose from one or more mechanisms as specified in Subchapter F of this chapter (relating to Financial Assurance Mechanisms for Liability) to meet the liability requirements for sudden accidental occurrences.

(b) An owner or operator shall notify the executive director in writing within 30 days:

(1) whenever a claim results in a reduction in the amount of financial assurance for liability coverage provided by a financial assurance mechanism authorized in Subchapter F of this chapter; or

(2) whenever a Certification of Valid Claim for bodily injury or property damages caused by a sudden accidental occurrence arising from the operation of a facility is entered between the owner or operator and third-party claimant for liability coverage under Subchapter F of this chapter; or

(3) whenever a final court order establishing a judgment for bodily injury or property damage caused by a sudden accidental occurrence arising from the operation of a facility is issued against the owner, operator, or a financial assurance mechanism that is providing financial assurance for liability coverage under Subchapter F of this chapter.

Adopted December 4, 1996

December 30, 1996

§37.411. Adjustments to the Level of Liability Coverage.

If the executive director determines that the level of financial responsibility required by §37.401 of this title (relating to Liability Requirements for Sudden Accidental Occurrences) are not consistent with the degree and duration of risk associated with the facility or group of facilities, the executive director may adjust the level of financial responsibility required under §37.401 of this title as may be necessary to protect human health and the environment. An owner or operator must furnish to the executive director, within 30 days, any information which the executive director requests to determine whether cause exists for such adjustments of level of coverage. Any adjustment to financial assurance of the level for a facility that has a permit or

registration will be treated as a permit or registration modification, unless the rule changes the amount required.

Adopted December 4, 1996

December 30, 1996